



INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
400 ARMY NAVY DRIVE  
ARLINGTON, VIRGINIA 22202-2884

December 12, 2001

## INSPECTOR GENERAL INSTRUCTION 4100.33

SUBJECT: Commercial Purchase Card Program

References: See Appendix A

**A. Purpose.** This Instruction provides policies and procedures, and assigns responsibilities for the administration and use of the Government-wide Commercial Purchase Card Program to acquire supplies, services, and equipment for Government purposes in support of the Office of the Inspector General, Department of Defense (OIG, DoD) mission.

**B. Cancellation.** This Instruction supersedes IGDINST 4100.33, *Commercial Purchase Card Program*, June 19, 1995.

**C. Applicability.** This Instruction applies to the Office of the Inspector General; the Deputy Inspector General; the Assistant Inspectors General; the Director, Administration and Information Management; the Director, Departmental Inquiries; the Director, Intelligence Review; all OIG, DoD, assigned staffs and offices, and, as appropriate, the Office of the Deputy General Counsel (Inspector General) (ODGC, IG). For purposes of this Instruction, these organizations are referred to collectively as OIG components.

**D. Definitions.** See Appendix B.

### **E. Policy**

a. The OIG, DoD, Commercial Purchase Card Program is established under the contracting authority of the Defense Supply Services-Washington (DSS-W) in accordance with reference a. It is DoD policy that the OIG, DoD, purchase card only be used to pay for authorized U.S. Government purchases. Use of the purchase card and convenience checks shall be consistent with established guidelines in this Instruction and in accordance with references a through q. Authorized supplies, equipment, and non-personal services may be purchased with the purchase card up to the micro purchase threshold (currently \$2,500). The purchase card is also authorized as a method of contract payment above the micro-purchase threshold. Contracting officers are encouraged to use the card to place orders and to pay for purchases against contracts established under Part 8 of reference c, when authorized.

b. Without exception, the purchase card may never be used for personal reasons. Only those individuals designated in writing by the Director, Office of Administration and Information Management (OA&IM) (the Program Director), shall be given the authority to make purchases, and at no time shall the purchase card be used by any individual other than the person to whom the card is issued. A cardholder acting without appropriate authorization and/or outside of the authority specified in his or her delegation of authority may be personally liable for his or her actions. It is OIG, DoD, policy that purchase cards and convenience checks shall not be issued without the coordination of the OIG, DoD, Agency Program Coordinator (APC) and approval by the Program Director. Further, training for the purchase card is a mandatory requirement and shall be completed before the card is issued.

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c. It is OIG, DoD, policy to pay billing statements (invoices) promptly and to qualify for minimum rebates available from the bank for timely payment in accordance with the contract with the bank.

d. The OIG, DoD, has elected to use the Customer Automation and Reporting Environment (C.A.R.E.), an electronic data interface, for the Commercial Purchase Card Program. Upon implementation, C.A.R.E. will allow the flexibility to set up accounts, perform maintenance on accounts, allocate funds, submit electronic certification of billing statements (invoices), and create reports. Overall, C.A.R.E. will help ensure a strong internal control environment for the OIG, DoD, Commercial Purchase Card Program.

## **F. Responsibilities**

### **1. The **Inspector General** shall:**

- a. Establish an OIG, DoD, Commercial Purchase Card Program.
- b. Designate the Director, OA&IM, as the official responsible for overall management and administration of the OIG, DoD, Commercial Purchase Card Program.

### **2. The **Director, OA&IM**, shall:**

- a. Act as the **Program Director** responsible for the overall management, administration, control, and discipline of the OIG, DoD, Commercial Purchase Card Program.

- b. Be responsible for:

- (1) Appointing in writing approving/certifying officials to certify vouchers for payment and maintaining oversight of approving/certifying official actions in accordance with Volume 5, Chapter 33, of reference b.

- (2) Revoking purchase cards from cardholders, as necessary.

- (3) Approving and renewing purchase cards and issuing written authority (Delegations of Authority) that specifies spending and use limitations unique to the cardholder.

- (4) Ensuring that internal control procedures are established for the OIG, DoD, Commercial Purchase Card Program.

- (5) Establishing and maintaining an environment within the organization that sets a positive and supportive attitude toward internal control and conscientious management of the OIG, DoD, Commercial Purchase Card Program.

- (6) Ensuring that deficiencies and irregularities identified in the annual audit of the Commercial Purchase Card Program are corrected.

- (7) Ensuring that appropriate resources are allotted to perform training for the OIG, DoD, Commercial Purchase Card Program.

- (8) Ensuring the timely implementation of C.A.R.E.

3. The **Director, Administration and Logistics Services Directorate (ALSD), OA&IM**, shall:

- a. Direct the administration of the OIG, DoD, Commercial Purchase Card Program.
- b. Monitor the implementation of internal controls for the OIG, DoD, Commercial Purchase Card Program.
- c. Monitor the appropriateness of delegations of authority issued to OIG, DoD, personnel to purchase supplies, equipment, and non-personal services at (and exceeding) the micro purchase threshold.
- d. Ensure that policies and procedures governing the use of the commercial purchase card are developed and updated timely.
- e. Monitor the progress of training established for the OIG, DoD, Commercial Purchase Card Program.
- f. Monitor the appropriateness of the span of control for approving/certifying officials.
- g. Monitor the implementation of corrective actions identified in the annual audit of the Commercial Purchase Card Program.
- h. Monitor the implementation of C.A.R.E. and keep the Director, OA&IM, apprised of issues that may hinder its implementation in a timely manner.

4. The **Chief, Logistics Services Division (LSD), OA&IM**, shall:

- a. Be responsible for the coordination and administration of the OIG, DoD, Commercial Purchase Card Program.
- b. Provide input to the OIG, DoD, budget process including estimates of supply and service requirements to be purchased with the purchase card.
- c. Be the **Dispute Official** responsible for resolving disputed purchases or transactions that the cardholder and the approving/certifying official are unable to resolve.
- d. Monitor the effectiveness of the internal control environment of the OIG, DoD, Commercial Purchase Card Program and report any irregularities or deficiencies to the Program Director through the Director, ALSD, OA&IM.
- e. Determine the specific criteria required for requesting and approving purchase cards for employees.
- f. Monitor the approval for and issuance of the purchase card and convenience checks within the OIG, DoD.
- g. Determine the appropriate span of control for each approving/certifying official (not to exceed 7 cardholders per approving/certifying official).
- h. Ensure a training program is developed and implemented and training funds are requested for the OIG, DoD, Commercial Purchase Card Program.

- i. Ensure verification of receipt of goods and services is assigned to individuals other than the cardholder to reduce the risk of fraudulent transactions.
  - j. Be responsible for establishing and directing the implementation of C.A.R.E.
5. The **Purchase Card Coordinator, LSD, OA&IM**, shall:
- a. Be the **APC** responsible for managing the **OIG, DoD, Commercial Purchase Card Program**.
  - b. Develop a training program for the **OIG, DoD, Commercial Purchase Card Program**.
  - c. Provide purchase card training (including annual refresher training) to cardholders and approving/certifying officials and maintain a current list of all trained individuals.
  - d. Ensure delegations of authority and purchase cards are not issued to cardholders or approving/certifying officials until they are trained.
  - e. Review and process requests (including the preparation of a delegation of authority letter) for new purchase cardholders and approving/certifying officials, making recommendations for approval or disapproval as appropriate.
  - f. Coordinate the renewal of purchase cards, including notification to the bank.
  - g. Update changes to existing accounts (i.e., address/phone number changes, merchant activity type codes, monthly spending limits, etc.).
  - h. Conduct and document random spot checks of purchase cardholders and approving/certifying official activities.
  - i. Provide ongoing advice on purchase card matters.
  - j. Serve as liaison between the cardholder and the purchase card contractor, other participating activities, and GSA.
  - k. Work with cardholders and approving/certifying officials to resolve disputed purchases or transactions.
  - l. Review the span of control for approving/certifying officials for certification purposes.
  - m. Identify Merchant Activity Type (MAT) codes to the issuing bank for use by the cardholders.
  - n. Ensure that actions are taken to resolve delinquent payments on purchase cardholder accounts as a result of:
    - (1) Late reconciliation of statement of accounts by cardholders.
    - (2) Late certification of approving/certifying official's billing statement.
    - (3) Payments lacking identification to the invoice and general confusion on amounts due.

o. Maintain statistics and management reports relative to the OIG, DoD, Commercial Purchase Card Program.

p. Implement C.A.R.E. and serve as the functional point of contact responsible for the following:

(1) Setting up new managing (billing official) and cardholder accounts

(2) For managing accounts, locating and changing managing account information and changing account information and authorization controls.

(3) For cardholder accounts, locating and changing cardholder information, changing organization information, changing authorization controls, changing account options and moving cardholder accounts.

(4) Creating reports, changing passwords, and communicating within C.A.R.E.

6. Each **OIG Component Head** shall:

a. Maintain an environment within the OIG component that sets a positive and supportive attitude toward internal control and conscientious management of the OIG, DoD, Commercial Purchase Card Program.

b. Recommend and forward requests for approval of cardholders, convenience check custodians/cashiers (primary and alternate as applicable), and approving/certifying officials within the OIG component to the Director, OA&IM.

c. Recommend the specific cardholders assigned to each approving/certifying official within the OIG component and monitor the span of control.

d. Ensure cardholders and all individuals involved with the Commercial Purchase Card Program attend designated training courses.

e. Monitor purchase cardholders to ensure all purchases placed with a merchant are authorized for official Government business.

f. Provide input to the OIG, DoD, budget process including estimates of supply and service requirements to be purchased with the purchase card.

7. The **Director, Financial Management Directorate (FMD), OA&IM**, shall:

a. Provide detailed instructions for the funding pertaining to purchase cards.

b. Ensure funding for the purchase card is included in the OIG, DoD, budget process.

c. Review costs incurred for purchases and any changes to projected requirements to adjust funding authorization during the quarterly budget review process. Other adjustments may be made during the year at the request of the OIG component.

d. Fund purchase card purchases using the “bulk” funding method, that requires a specific fund reservation (obligation or formal commitment) be posted to the official accounts records prior to payment of the billing statement (invoice) (reference o).

e. Assign one line of accounting classification (“bulk” funding method) for each cardholder account and coordinate with the APC who will enter the accounting classification in the Master Accounting Code field on the purchase card account setup or account maintenance information form.

f. Provide accounting/certifying officials with a line of accounting for interest penalties.

g. Upon implementation of C.A.R.E., set up and maintain child cost allocation rule sets, set up and maintain alternate accounting codes, move cost allocation rule sets, and interface with the APC on these matters as needed.

8. The **Personnel and Security Directorate, OA&IM**, shall maintain the safe combination for convenience checks as a matter of standard security procedures.

9. The **Acquisition and Property Management Branch, ALSD, OA&IM**, shall record in a timely manner purchase card transactions that require accountability.

10. The **Assistant Inspector General for Investigations (AIG-INV)** shall, in addition to the responsibilities in paragraph F.6 above, be responsible for approving statutorily mandated reimbursement of selective third party costs related to the processing of OIG, DoD, subpoenas, and for obtaining ODGC, IG coordination on same.

11. The **Office of the Deputy Assistant Inspector General, Criminal Investigative Policy and Oversight (CIPO)**, shall, in addition to the responsibilities in paragraph F.6 above, be responsible for handling reimbursement requests for subpoenas served by the Military criminal investigative agencies.

12. The **Assistant Inspector General for Audit (AIG-AUD)** shall, in addition to the responsibilities in paragraph F.6 above, conduct an annual audit of the OIG, DoD, Commercial Purchase Card Program including convenience checks and provide the results in a written report to the Program Director.

13. Each **Approving /Certifying Official** shall:

a. Be recommended by the applicable OIG Component Head and appointed by the Director, OA&IM, in writing (see Figure 1, page 31).

b. Be responsible for:

(1) Oversight of all cardholders within the component.

(2) Reviewing and certifying component cardholders’ monthly statements of account and verifying that transactions were necessary for official Government purchases.

c. Be directly responsible to the Director, OA&IM, for violations of procurement law when acting in the capacity of an approving/certifying official.

d. Confiscate purchase cards for destruction when a cardholder is reassigned or a cardholder’s delegation of authority is revoked for cause.

e. Not be subordinate to any cardholder under his or her approving authority.

f. Carry out certifying officer duties in accordance with Volume 5, Chapters 2 and 33, of reference b and in accordance with reference p.

- g. Acknowledge acceptance of his or her appointment as an approving/certifying official and complete DD Form 577, *Signature Card* (Figure 2, page 32).
- h. Be held pecuniary liable for the legality and accuracy of proposed payments he or she certifies.
- i. Not perform functions of convenience check custodian or cashier (in order to maintain effective internal controls).
- j. Ensure billing statements (invoices) are paid within the Prompt Payment Act timeframes (reference d).
- k. Ensure timely receipt of each cardholder's statement of account and backup documentation for review and processing.
- l. Provide proper interest penalties for payments that exceed the Prompt Payment Act timeframe.
- m. Maximize rebates (refunds) and ensure that bank calculations of rebates are correct.
- n. Reconcile monthly billing statements (invoices) with cardholders' monthly statements.
- o. Ensure that dispute forms are accurate and sent to the bank.
- p. Upon implementation of C.A.R.E., be responsible for proper transaction management of the following:
  - (1) Certifying and approving billing statements (invoices)
  - (2) Reviewing cardholder transactions/rejecting transactions
  - (3) Acting on behalf of the cardholder to dispute or reallocate a cardholder transaction; appending transaction detail; and, creating, maintaining and reallocating a separate transaction log.

14. The **Purchase Card Customer** shall:

- a. Provide complete and accurate information on IG Form 4100.33-3, *Commercial Purchase Card Request for Purchase of Supplies and Services* (Figure 3, page 33) for all purchase requests.
- b. Obtain approval from his or her supervisor or approving/certifying official for purchase card requests before submitting to the Purchase Cardholder.
- c. Ensure items requested by purchase card are for official Government business to fulfill mission requirements.

15. The **Purchase Cardholder** shall:

- a. Be recommended by the applicable OIG Component Head and appointed in writing by the Director, OA&IM (see Figure 4, page 34).
- b. Be directly responsible to the Director, OA&IM, for violations of procurement law when acting in the capacity of a purchase cardholder.

- c. Maintain a *Commercial Purchase Card Log*, IG Form 4100.33-1 (Figure 5, page 35); ensure proper preparation and approval of IG Form 4100.33-3; and, obtain certification of funds available for all purchases.
- d. Use the purchase card only for authorized purchases approved for official Government business to fulfill mission requirements.
- e. Not use the purchase card for any item for which he or she is the requiring agent, unless the item is to be delivered to a central receiving location, or the cardholder's approving/certifying official specifically authorized the action.
- f. Safeguard the purchase card and the purchase card account number.
- g. Notify the approving/certifying official and the APC of a lost or stolen purchase card, including the unauthorized use of the purchase card or account number.
- h. Ensure funds are available before making purchases.
- i. Observe all dollar limitations on purchases.
- j. Reconcile and document transactions in accordance with designated procedures in Appendix C, paragraph 7.
- k. Send dispute forms to the bank promptly.
- l. Report purchases to the Acquisition and Property Management Branch, ALSA, OA&IM, that require accountability for inventory management purposes.
- m. Obtain designated training on the use of the purchase card.
- n. Not be his or her own approving/certifying official.
- o. Be alert to the indicators of fraud and report suspected fraud immediately.
- p. Upon implementation of C.A.R.E., be responsible for the following transaction management for his or her cardholder account:
  - (1) Approving, disputing, and reallocating cardholder transactions.
  - (2) Appending transaction detail and creating a separate transaction log.
  - (3) Reconciling transactions.
  - (4) Using reporting, communicating and administrative capabilities within C.A.R.E.

16. The **Principal Convenience Check Custodian** shall:

- a. Be recommended by the applicable OIG, DoD Component Head and appointed by the Director, OA&IM, in writing (see Figure 6, page 36).
- b. Be responsible for ordering, receiving, storing, issuing, conducting inventory, and reconciling and disposing of check stock.

c. Maintain a convenience check account and not be responsible for originating, approving, and processing the requirement for a check.

d. Safeguard the checkbook and account number.

17. The **Alternate Convenience Check Custodian** (if appointed) shall be appointed in the same manner and have the same responsibilities as the Principal Convenience Check Custodian, however, act only in the absence of the Principal Convenience Check Custodian, (Volume 5, Chapter 2, Paragraph 021002B.2.b of reference b).

18. The **Convenience Check Cashier** shall:

a. Be recommended by the applicable OIG Component Head and appointed by the Director, OA&IM, in writing (see Figure 6).

b. Inscribe (print), sign, and issue checks.

c. Perform the functions of the convenience check custodian, as necessary.

d. Be a purchase cardholder so long as the policies and procedures defined in Volume 5, Chapter 2, of reference b are observed.

e. Safeguard the checkbook and account number.

f. Obtain prior approval for all purchases paid for by check.

19. The **Purchase Card Contractor for the OIG, DoD, is the issuing bank**, which provides the following services:

a. Paying merchants for purchase card transactions.

b. Establishing purchase cardholder accounts.

c. Issuing cards.

d. Preparing the monthly statement for each cardholder.

e. Issuing billing statements (invoices).

f. Providing 24-hour customer service.

g. Preparing reports to assist the OIG, DoD, in using its funds.

20. A **Merchant** may be one of the following that provides supplies and services upon request to the OIG, DoD:

a. A required source inside or outside the Government.

b. Another Government agency.

c. A private sector merchant of supplies or services.

**G. Procedures**

1. **OIG, DoD, Commercial Purchase Card.** Instructions for using the Commercial Purchase Card are provided in Appendix C.

2. **OIG, DoD, Convenience Checks.** Instructions for the use of convenience checks are provided in Appendix D.

**H. Liability**


1. **Civil Liability.** Use of the purchase card for other than authorized, official OIG, DoD, business may result in immediate revocation of the cardholder's authority to use the purchase card. A cardholder acting without appropriate authorization and/or outside of the authority specified in his or her delegation of authority may be personally liable for his or her actions. Where there is fraud, the cardholder may be liable for an amount of three times the Government's damages plus \$10,000 for each false or fraudulent entry or transaction under reference e.

2. **Criminal Liability.** A cardholder and/or approving/certifying official may be subject to a fine of not more than \$10,000 or imprisonment for not more than 5 years, or both, references f and g. Under certain circumstances, penalties are higher.

**I. Legal Review.** The ODGC, IG, shall provide legal advice as necessary and coordinate with the AIG-INV regarding requests for payment processing for charges related to OIG, DoD, subpoenas.

**J. Effective Date.** This Instruction is effective immediately.

FOR THE INSPECTOR GENERAL:

  
 Joel L. Leson  
 Director  
 Office of Administration  
 and Information Management

4 Appendices – a/s

## APPENDIX A REFERENCES

- a. Memorandum of Understanding (MOU) between OIG, DoD, and DSS-W, October 2001
- b. DoD 7000.14-R, “Financial Management Regulation”
  - Volume 5, Chapter 2
  - Volume 5, Chapter 33
- c. Federal Acquisition Regulation
  - Part 3.104-12
  - Part 8.001
  - Subpart 4.805
  - Subpart 13.2
  - Subpart 213.2
- d. 5 CFR 1315, Prompt Payment Final Rule
- e. 31 U.S.C. 3729, *False Claims*, as of Jan 5, 1999
- f. 18 U.S.C. 287, *False, Fictitious or Fraudulent Claims*, as of Jan 23, 2000
- g. 18 U.S.C. 1001, *Statements or Entries Generally*, as of Jan 23, 2000
- h. IGDM 4140.1, *Property Management Program*, March 29, 2001
- i. Secretary of Defense Memorandum, “Purchase Card Program Reengineering Implementation Memorandum #6, ‘Streamlined Payment Practices,’ July 20, 1998
- j. Deputy Secretary of Defense Memorandum, “Purchase Card Reengineering Implementation Memorandum #4, ‘Use of I.M.P.A.C. Card for Transactions with Defense Automated Printing Service,’ May 5, 1997
- k. IGDM 5015.2, *Records Management Program*, June 2000
- l. DoD Directive 5500.7, “Standards of Conduct,” August 30, 1993
- m. DoD 5500.7-R, “Joint Ethics Regulation,” August 30, 1993
- n. USD(C) Memorandum, “Purchase Card Reengineering Implementation Memorandum #3, “Streamlined Payment Practices,” March 27, 1997
- o. USD(C) Memorandum, “Purchase Card Reengineering Implementation Memorandum #3, Change 1, “Streamlined Payment Practices,” June 30, 1998
- p. DUSD(C) Memorandum, “Purchase Card Reengineering Implementation Memorandum #1, Change 1, “Certifying Officer Guidance,” November 20, 1998
- q. DSS-W “User’s Guide to the GSA SmartPay Purchase Card Program, FY 01 Edition”

## APPENDIX B DEFINITIONS

1. **Agency Program Coordinator, OIG, DoD.** The Program Coordinator serves as the focal point for coordinating applications, issuance and destruction of cards, establishment of reports and administrative training. That individual also serves as the liaison between the OIG, DoD, the issuing bank, DSS-W contracting office, and the General Services Administration (GSA) contracting officer. He or she manages the Purchase Card Program, establishes training for the cardholders and approving/certifying officials, coordinates with the Director, OA&IM, to establish dollar limitations and identifies merchant codes to the issuing bank for use by cardholders.
2. **Appointing Official.** The individual responsible for appointing in writing cardholders, convenience check custodians/cashiers, and approving/certifying officials.
3. **Approving Official.** The individual responsible for reviewing a cardholder's monthly statements and serving as the liaison with the OIG, DoD, Program Coordinator. The approving/certifying official is responsible for certifying a cardholder's monthly statements and ensuring payments are for authorized purchases made in compliance with Federal, DoD, and OIG, DoD, regulations, procedures, and policies. A cardholder may not be his or her own approving/certifying official and cannot be an approving/certifying official for his or her supervisor. (Within the OIG, DoD, the approving official and certifying officer are one and the same. These individuals shall be referred to as "Approving/Certifying Officials" in this Instruction.)
4. **Authorization.** The process of verifying that a purchase is within the established cardholder limits. The merchant accomplishes authorization at the time of sale through verification with the bank before completing the purchase transaction.
5. **Cardholder.** The individual to whom a purchase card is issued. The purchase card bears the cardholder's name and may only be used by the person to whom the card is issued for authorized U.S. Government purchases, subject to compliance with the Federal Acquisition Regulation, the DoD Federal Acquisition Supplement, and OIG, DoD, regulations, policies and procedures. The cardholder is trained in small purchases and the proper use of the purchase card. Each cardholder is required to reconcile his or her monthly "Statement of Account" from the issuing bank and forward the reconciled statement to his or her approving/certifying official.
6. **Cardholder Statement of Account.** A monthly bank statement (mailed directly by the bank to each cardholder) listing all purchases, credits, and other activity on a cardholder's individual account. The statement is used to reconcile the cardholder's account.
7. **Cardholder Statement of Questioned Items (CSQI).** The bank form on which cardholders claim credit for disputed items that cannot be resolved with the vendor.
8. **Certifying Officer.** The person who attests to the legality, propriety, and correctness of a voucher submitted for payment. (Within the OIG, DoD, the approving official and certifying officer are one and the same. These individuals shall be referred to as "Approving/Certifying Officials" in this Instruction.)
9. **Commercial Purchase Card.** Similar in nature to a credit card, issued to authorized agency personnel to acquire and to pay for supplies, equipment, and non-personal services.
10. **Convenience Check.** Provided through the General Services Administration (GSA) contract for the Government wide purchase card. The contract requires that the card providers operate a convenience check writing system that allows DoD activities, including overseas locations, to make selected minor purchases and payments using checks in lieu of cash.

11. **Customer Automation and Reporting Environment (C.A.R.E.).** An electronic data interface for the Commercial Purchase Card Program that provides functional capabilities including transaction review, approval transaction, reallocation, and disputes.
12. **Delegation of Authority.** A written delegation issued by responsible agency personnel that establishes authorized cardholder(s), specifying spending, and usage limitations unique to that cardholder.
13. **Dispute.** A transaction that is posted to an account that is being questioned by the cardholder for validity.
14. **Dispute Official.** The official responsible for resolving disputed purchases or transactions that the cardholder and the approving/certifying official are unable to resolve.
15. **Electronic Certification.** An approved electronic signature adopted by a certifying officer that is unique to the certifying officer (approving/certifying official within the OIG, DoD); capable of verification by the disbursing officer; under the sole control or custody of the certifying officer; and linked to the data certified in such a manner that if the data are changed, the electronic signature is invalidated.
16. **Fraud.** Any felonious act of corruption or attempt to cheat the Government or corrupt the Government's agents committed either by Government employees or by merchants.
17. **Internal Controls.** The manner in which financial, manpower, and property resources are controlled and safeguarded by the regular authorization, approval, documentation, recording, reconciling, reporting, and related accounting processes.
18. **Invoice.** The approving/certifying official's monthly billing statement received from the contractor (bank) for payment of one or more agency cardholder statements. An invoice may also refer to a bill submitted by a vendor, such as a shipping document.
19. **Merchant.** A source from which supplies and services are provided.
20. **Merchant Activity Type (MAT) Codes.** Codes that define the type of merchant from which the cardholder may make authorized purchases.
21. **Micro Purchase.** An acquisition of supplies or services, not exceeding \$2,500.
22. **Monthly Cardholder Limit.** Determines the maximum dollar amount that will be authorized a cardholder within a 30-day billing cycle.
23. **Monthly Office Limit.** The monthly limit (of each approving/certifying official) based on the aggregate of the purchasing authority of all cardholders assigned to an approving/certifying official.
24. **Program Director.** The individual responsible to the Inspector General, DoD, for overall management of the Commercial Purchase Card Program.
25. **Purchase Card Contractor.** The issuing bank is the contractor that provides banking services to the OIG, DoD, for the Commercial Purchase Card Program.
26. **Purchase Card Log.** A list of the cardholder's individual transactions. Entries in the log are supported by documentation that is used for reconciling the cardholder's statement of account.

27. **Purchase Card Customer.** The individual who initiates the purchase request. Usually, this is the individual who signs for and uses the item when delivered.
28. **Purchase Request.** The source document for all micro purchases.
29. **Rebates.** Refunds based on sales volume (payments) and payment timeliness.
30. **Receiving Official.** A military member or civilian employee of the Department authorized to substantiate the receipt, inspection, and acceptance of goods and/or services.
31. **Reconciliation.** The process by which a cardholder and approving/certifying official review transactions on monthly statements, reconcile them against available documentation, and authorize payment of charges.
32. **Reviewing Authority.** For purposes of this Instruction, it refers to the OIG, DoD, chain of command through which an appeal is processed and reviewed for a decision.
33. **Single Purchase Limit.** The maximum amount authorized by a delegation of authority for a single purchase on a purchase card. The limit cannot be exceeded unless a revised delegation of authority is issued.
34. **Small Purchase.** An acquisition of supplies or non-personal services in the amount of \$25,000 or less.
35. **Split Order.** Two or more orders issued within a short period of time by cardholders under the same approving/certifying official for like or related materials or services for the purpose of circumventing the \$2,500 per order limit.
36. **Statement of Account.** A monthly list of all purchases made by the cardholder and billed by the merchant including all credits authorized by the issuing bank.
37. **Suspension.** The process in which a cardholder is disallowed from making purchases with the purchase card because of delinquency or multiple pre-suspension actions.

## APPENDIX C

### INSTRUCTIONS FOR THE OIG, DOD, COMMERCIAL PURCHASE CARD

**1. General.** Through the General Services Administration SmartPay program, the U.S. Bank is the issuing bank that provides purchase card services, including convenience checks, for the OIG, DoD.

**2. Appointment**

a. All requests for purchase cards or convenience check accounts must be made in writing to the Director, OA&IM. The request shall contain:

- (1) Name, organization, office and home phone numbers, and fax number.
- (2) Cardholder's mailing address.
- (3) Approving/certifying official's name and phone number.
- (4) Approving/certifying official's mailing address.
- (5) Types of purchases.
- (6) Single line of accounting for the cardholder's account obtained from the FMD,

OA&IM.

b. The APC is responsible for reviewing and processing requests for purchase cards and making recommendations regarding the appropriateness of approval or disapproval for each cardholder, as well as, reviewing and recommending the span of control for each approving/certifying official.

c. Each cardholder and approving/certifying official is issued a Delegation of Authority memorandum (prepared by the APC and signed by the Program Director) that authorizes him or her to make purchases with the purchase card or approve purchases under their authority. The memorandum will state the cardholder's single purchase limit (\$2,500), the monthly purchase limit, and the office monthly limit (for approving/certifying officials only). Training on the use of the purchase card is required before any purchase card is issued. The cardholder and approving/certifying official must acknowledge acceptance of the Delegation of Authority by signing and providing a copy of the acceptance to the APC, the approving/certifying official, and the appointing official. It is mandatory that the cardholder and approving/certifying official become thoroughly familiar with his or her responsibilities and accountability. Approving/certifying officials must retain a list of the cardholders under their approving authority and not be subordinate to any cardholder.

d. Approving/certifying officials shall be appointed in writing by the Program Director. They are responsible for certifying vouchers and documents for payment and have pecuniary liability for any illegal, improper, or incorrect payment processed. Approving/certifying officials must acknowledge acceptance of the appointment and complete a DD Form 577, *Signature Card* (Figure 2, page 32). Approving/certifying officials must retain a list of the cardholders and/or check cashiers under their authority and cannot be subordinate to either.

e. A cardholder cannot be his or her own approving/certifying official, nor can an individual be an approving/certifying official for his or her supervisor.

**3. Responsibilities.** Responsibilities are discussed throughout the Instruction. Section F, Appendix A, and Appendix C of this Instruction include, but are not limited to, identifying the responsibilities for individuals related to the purchase card.

#### **4. Conditions for Use of the Card**

- a. The total of a single purchase may include multiple items but cannot exceed the cardholder's authorized single purchase limit (\$2,500). No split ordering is permitted.
- b. All items purchased over the counter with the card must be immediately available or within the 30-day billing cycle. Backordering is not permitted.
- c. All items purchased by telephone should be delivered within the 30-day billing cycle.
- d. When purchasing by telephone, inform the vendor that the purchase is for official Government purposes and not subject to state or local sales tax. (If a merchant requires more verification of the tax-exempt status of the purchase, the cardholder should contact the APC for a tax-exempt letter.)
- e. When purchasing supplies or services from a commercial vendor, the cardholder is required to rotate sources among vendors.
- f. Funds must be available and the purchase must be authorized before making the purchase.
- g. The cardholder should confirm the vendor agrees to charge the card when shipment is made or training completed so receipt of supplies may be certified on the monthly statement of account.
- h. The price should include a confirmation of any shipping/delivery costs.
- i. Small purchases may be made in accordance with Part 13 (Small Purchase and Other Simplified Purchase Procedures) of reference c.
- j. Orders may be placed against established contracts or with established sources of supply (Part 8 of reference c) only when authorized by the contract regulation requiring use of the source.
- k. Supplies or services that are acquired through a purchase order or written contract may be made with the purchase card.

#### **5. Prohibited Uses of Purchase Cards**

- a. Use of the purchase card is prohibited for the following transactions:
  - (1) Cash advances.
  - (2) Rental or lease of motor vehicles. (Except for short-term (up to 30 days) rental/lease of motor vehicles for the Defense Criminal Investigative Service (DCIS) in receiving and transporting records in connection with serving a subpoena, or for rental vans for search warrants, or other business-related items that are critical to performing mission essential tasks.)
  - (3) Rental or lease of land or buildings. (Rental of storage service facilities for records relating to DCIS cases is authorized.)
  - (4) Purchase of airline, bus, boat, train, or any other travel-related tickets.
  - (5) Purchase of meals, drinks, lodging, or other travel or subsistence costs.
  - (6) Purchase of automotive supplies, fuel, oil, services, or any services for Interagency Fleet Management vehicles (GSA-assigned vehicles). That does not include material handling equipment, confiscated vehicles, Defense property disposal vehicles, or DCIS-owned vehicles.

- (7) Janitorial and yard services.
  - (8) Personal clothing or footwear, other than that authorized by a governing regulation.
  - (9) Individual telephone calls.
  - (10) Furniture, carpet, drapes or other window treatments, and office furnishings requiring coordination with the Administrative Services Branch (unless approved in advance by the Administrative Services Branch, ALSD, OA&IM).
  - (11) Automatic data processing, audiovisual, photographic, or communications equipment, unless approved in advance by the ISD, OA&IM, and coordinated with the Acquisition and Property Management Branch, ALSD, OA&IM (except in a bona fide DCIS investigative emergency).
  - (12) Weapons and pyrotechnics.
  - (13) Accountable property as defined in reference h (unless prior approval is received from the Acquisition and Property Management Branch, ALSD, OA&IM).
  - (14) Membership fees for individual employees.
  - (15) Office/meeting refreshments (except when specifically authorized by statute, e.g., official conference or official representation function).
  - (16) Personal gifts (e.g., items with agency logo/identification used for presentations unless specifically authorized).
  - (17) Construction.
- b. Prohibition on Type of Merchant. Cardholders should contact the APC for clarification if undecided or doubtful about whether an item or service proposed for purchase should be made with the purchase card. Authorization to use the purchase card with the following merchants is not authorized:
- (1) Airlines
  - (2) Travel agencies
  - (3) Hotels (except for reserving conference rooms)
  - (4) Restaurants
  - (5) Bars

## **6. Mandatory Sources of Supply**

a. Cardholders are responsible for reviewing the lists of mandatory sources that must be considered before using an open market source. As required by Part 8.001 of reference c, cardholders shall satisfy requirements for supplies and services from or through the sources and publications listed below in descending order of priority:

- (1) Supplies
  - (a) Agency inventories

- (b) Excess from other agencies
- (c) Federal Prison Industries (FPI or its trade name UNICOR)
- (d) Products available from the Committee for Purchase from People who are Blind or Severely Disabled (NIB/NISH)
- (e) Wholesale supply sources, such as stock programs of GSA, DLA, VA, and military inventory control points
- (f) Mandatory Federal Supply Schedules
- (g) Optional use Federal Supply Schedules
- (h) Commercial sources (including educational and nonprofit institutions)
- (2) Services
  - (a) Services available from the NIB/NISH
  - (b) Mandatory Federal Supply Schedules
  - (c) Optional use Federal Supply Schedules
  - (d) Federal Prison Industries (FPI or its trade name UNICOR)

b. The purchase card is the method of payment for all training requests valued at or below \$25,000. These payments are exempt from the restriction limiting use of the card as a payment method to contracting officers (reference i).

c. The primary source of printing is the Defense Automated Printing Service (DAPS). Use of the purchase card as payment for transactions with DAPS is mandatory for all printing and reproduction services (reference j), except for printing and reproduction required by the DCIS in conducting mission-essential tasks where the use of DAPS would impede or compromise a case. Questions should be referred to the APC if in doubt.

## **7. Documentation, Reconciliation, and Payment Procedures**

a. All purchases, whether over-the-counter purchases or telephone purchases, must be documented on IG Form 4100.33-3, *Commercial Purchase Card Request for Purchase of Supplies and Services*, (Figure 3, page 33), and cross-referenced by control number to IG Form 4100.33-1, *Commercial Purchase Card Log*, (Figure 5, page 35). Supporting documentation, such as a vendor invoice, registration, training form (with proper certifying official signatures), agreement form, or other related material should be attached.

b. Completing IG Form 4100.33-3:

(1) The requester is responsible for providing the information on the form and obtaining supervisory or approving/certifying official signature for the purchase. The cardholder is responsible for obtaining certification of funds available and assignment of a control number. The cardholder shall not process the request without approval from the appropriate supervisor or approving/certifying official.

(2) All special authorization (Part IV of IG Form 4100.33-1) must be approved in advance in writing, by E-mail, or by telephone. If obtained by phone, the cardholder will annotate the signature block with the approving/certifying official's name, telephone number, and the date.

(3) On receipt of the items or services purchased, the cardholder will obtain from the requester a signature of receipt in Part II or on the shipping document/invoice. If the item is shipped to a secondary location, receipt information may be obtained by phone. If obtained by phone, the cardholder will annotate the signature block with the receiving official's name, telephone number, and the date.

(4) If receipt for property is received on the shipping document, the cardholder should annotate Part II as "shipping documents signed."

(5) The cardholder shall cross-reference the purchase by control number to IG Form 4100.33-1.

(6) The cardholder shall obtain a customer copy of the charge slip when over-the-counter purchases are made, ensure all carbons are destroyed, and attach it to the IG Form 4100.33-3.

(7) The cardholder shall retain any shipping documents or charge slips and attach them to the IG Form 4100.33-3 for telephone purchases.

c. The cardholder shall retain IG Form 4100.33-1 and IG Form 4100.33-3 (with attachments) for documentation of transactions and for verifying purchases shown on the cardholder's monthly statement. The packages will be held on file (by billing cycle) for audit or staff review.

d. The cardholder shall maintain a separate IG Form 4100.33-1 for each reporting period.

e. The bank distributes two monthly statements after the end of the 30-day billing cycle:

(1) Cardholder statement of account. All purchases, credits, and other transaction data that the cardholder made in the 30-day billing cycle.

(2) Approving/certifying official billing statement. A copy of all cardholder statements for which he or she has approving authority and a summary sheet for those statements.

f. The cardholder must reconcile information on the statement of account after receipt of the monthly statement. The cardholder must check each purchase on the statement to verify its accuracy, attach all supporting IG Forms 4100.33-3 (without attachments), sign the statement of account, and forward the reconciled package to the approving/certifying official, within 3 working days of receipt (a faxed copy is not acceptable). If the cardholder cannot reconcile the statement upon receipt (leave, TDY, etc.), his or her records shall be made available to the approving/certifying official for review and certification of the cardholder's statement. The approving/certifying official shall review the statement with the cardholder upon his or her return.

g. The approving/certifying official shall review each cardholder's statement of account with his billing statement (checking all accounting data, signing all statements of account, and ensuring that any dispute forms are accurate). The approving/certifying official signs his or her billing statement, makes a copy for the file, a copy for FMD, OA&IM, and mails the date stamped, signed original to DFAS, Indianapolis, IN. Certified billing statements shall be forwarded to DFAS for payment within 5 working days after receipt from the bank to avoid late payment penalties. The approving/certifying official shall retain copies of each cardholder's statement of account and supporting documentation with the certified copy of his or her billing statement. (NOTE: Upon implementation of C.A.R.E., electronic certification will be used.)

h. The approving/certifying official must retain certified billing statements and supporting documents for 6 years, 3 months. Cardholders are required to retain their cardholder statements and supporting documentation for the same period. Additional guidance for retention of records may be found in Subpart 4.805 of reference c and reference k.

## **8. Billing Errors and Disputes**

a. If a cardholder receives a statement listing a transaction that is not correct, he or she (or the approving/certifying official in the absence of the cardholder) is responsible for:

- (1) Contacting the vendor to resolve the discrepancy.
- (2) Notifying the Dispute Officer through the APC.
- (3) Completing a dispute form and forwarding it to the bank.
- (4) Attaching a copy of the dispute form to his or her monthly statement and sending it to the approving/certifying official. The approving/certifying official will provide a copy to the FMD, OA&IM. The disputed item is charged to the financial records until the dispute is resolved.

b. If items purchased with the card are defective, the cardholder should obtain replacement or correction of the item as soon as possible. If a merchant refuses to replace or correct the defective item, the transaction will be considered in dispute. Items in dispute are handled in the same manner as billing errors, discussed above.

c. Items that cannot be disputed are shipping, tax, convenience checks, purchases that are not placed on the purchase card account, and purchases made with cash drawn from the purchase card account.

## **9. Lost or Stolen Cards**

a. The cardholder shall:

- (1) Immediately notify the bank by phone.
- (2) Notify the approving/certifying official within 1 working day with the following information:

- (a) Purchase card number.
- (b) Cardholder's complete name.
- (c) Date and location of the loss.
- (d) Date reported to the police, if stolen.
- (e) Date and time the bank was notified.
- (f) Any purchases made on the day the card was lost or stolen.
- (g) Any other pertinent information.

b. The approving/certifying official shall submit this information in a written report to the APC within 5 working days.

c. If the cardholder finds the original card, it shall be cut in half and given to the approving/certifying official who will complete IG Form 4100.33-2, *Commercial Purchase Card Certificate of Destruction* (Figure 7, page 37) and forward it to the APC. The approving/certifying official shall notify FMD, OA&IM.

d. The OIG, DoD, is not liable for unauthorized use of the card.

**10. Separation of Cardholder.** Upon separation (includes reassignment, retirement, etc.) of a cardholder, the cardholder must surrender the card to his or her approving/certifying official. The approving/certifying official shall cut the card in half, complete IG Form 4100.33-2 (Figure 7) and forward it to the APC. The APC shall use the IG Form 4100.33-2 to cancel the account.

**11. Transfer of Cardholder to Another Approving/Certifying Official.** Before a cardholder transfers to an office with a different approving/certifying official, the current approving/certifying official must determine if the employee should retain the card by coordinating with the new approving/certifying official. If the new approving/certifying official determines that the card should be retained, he or she shall make a written request to the APC to change the master file. Under no circumstances shall purchases be made until the new approving/certifying official and cardholder have determined fund availability. The APC shall request that the issuing bank add the cardholder to the new approving/certifying official and delete his or her name from the old file without issuing a new card. A new Delegation of Authority letter shall be issued.

**12. Violations, Suspension, and Cancellation of the Purchase Card**

a. The issuing bank is authorized to suspend a cardholder account when:

(1) A cardholder account with an outstanding balance is 60 days past the billing date. The cardholder account must be paid before suspension is removed.

(2) One or more cardholder accounts within an approving/certifying official's authority has an outstanding balance of 180 days. The entire account remains suspended until all cardholder accounts are paid.

b. The Program Director may suspend a cardholder or convenience check account when violations occur.

c. The issuing bank is authorized to cancel any cardholder account that is suspended twice within a consecutive 12-month period.

**13. Notification and Appeal of Purchase Card/Convenience Check Suspension or Cancellation**

a. If a cardholder, approving/certifying official, or other appointed individual is in violation of purchase card policies and procedures, including convenience checks, the APC will prepare a letter to the individual's OIG Component Head with copies to the approving/certifying official and the individual. The letter will state:

(1) That a violation (state the specific violation) occurred.

(2) That the monthly purchase limit for that cardholder has been reduced to zero.

(3) That the revised limit will remain as such until:

(a) Appropriate management action has been taken with regard to the violation and the person causing the violation.

(b) The person causing the violation has received additional training and counseling on card procedures.

(4) Whether cancellation or suspension of the person's credit card/convenience check account is recommended, when deemed appropriate.

(5) The person causing the violation has the right to appeal the decision and may submit a Letter of Appeal through his chain of command.

b. Individuals may appeal suspension and/or cancellation of the purchase card/convenience check privilege to the Program Director (via the OIG Component Head and APC) by preparing a Letter of Appeal stating in full detail:

(1) The circumstances involving the card violation.

(2) The reasons why suspension or cancellation of the card should be reversed.

c. At each level of review, the appeal may be disapproved. If a reviewing authority concurs with the position of the person appealing, that reviewing authority should so state, attach his comments to the appeal, and forward to the Program Director for final decision.

#### **14. Account Reviews and Audits**

a. **Audits.** An annual audit shall be conducted of the OIG, DoD, Commercial Purchase Card Program to include convenience checks. The AIG-AUD shall ensure that individuals conducting the audit are independent of the functions being audited. The results of the audit will be provided in writing to the Program Director who shall ensure implementation of actions needed to correct deficiencies or irregularities in the Commercial Purchase Card Program.

b. **Reviews and Spot Checks.** As an aid to ensuring a strong internal control system is in place for the Commercial Purchase Card Program, random reviews and quarterly spot checks are required. These reviews and spot checks shall be conducted on an impartial basis and documented. The documentation shall be made available to the audit team during the annual audit. The APC shall conduct quarterly unannounced spot checks of purchase cardholder and approving/certifying official activities (using the checklist available in the appendix to reference q) to ensure internal control procedures are in place. Appointing officials and approving/certifying officials shall monitor on a continuous basis purchase cardholders to ensure that all purchases made are authorized for official Government business.

#### **15. Training**

a. Training for participants in the OIG, DoD, Commercial Purchase Card Program is mandatory. There shall be no exception to this requirement. Cardholders, appointing officials, approving/certifying officials, convenience check custodians, and cashiers shall be trained in the use of, and responsibilities and accountability for, the purchase card. The APC shall prepare the training agenda, establish and publish the schedule for training classes, and ensure that each individual is trained before using the card or approving any purchases. Individuals who have received training are required to sign a statement that they received the required training, were provided reference material for the use of the purchase card, and understand the penalties associated with misuse of the card. The APC will maintain a list of trained individuals and the signed statements of training. Refresher training shall be provided annually to ensure individuals are kept abreast of new policies and procedures issued subsequent to the initial purchase card training.

b. The APC is directly responsible for establishing a comprehensive training program that includes a thorough review of the following:

(1) Federal, Defense, and OIG, DoD, acquisition regulations, policies, and procedures, including the Anti-Deficiency Act, rotation of sources, price reasonableness, and cashier reporting of payments for services required by the Internal Revenue Service.

(2) Documentation requirements.

(3) Prohibition against splitting requirements.

(4) Required sources of supplies and services and order of precedence of sources.

(5) C.A.R.E.

(6) Any other areas determined to be essential to the program.

c. Cardholders, check custodians and cashiers, approving/certifying officials, appointing officials, and certifying officials must complete the annual standards of conduct training (references l and m). These individuals occupy positions of public trust, and their conduct must be of the highest ethical standards.

d. Training sources for the purchase card include the following:

(1) GSA training website <http://www.fss.gsa.gov/webtraining>

(2) DoD Purchase Card Program Management Office website <http://purchase.sarda.army.mil/>.

(3) C.A.R.E. website <https://wbt.care.usbank.com>.

(4) USDA Graduate School course on the Government Purchase Card

(5) Defense Acquisition University course on Contracting Fundamentals (Con 101)

(6) Defense Acquisition University course on Simplified Acquisition Procedures (SAP), CON 237, website [http://www.acq.osd.mil/dau/train\\_html](http://www.acq.osd.mil/dau/train_html).

(7) FAR website <http://farsite.hill.af.mil/>.

(8) U.S. Bank website [http://www.usbank.com/cgi\\_w/efm/impac/impac\\_login.cfm](http://www.usbank.com/cgi_w/efm/impac/impac_login.cfm).

(9) DSS-W “User’s Guide to the GSA SmartPay Purchase Card Program, FY 2001 Edition” found at website <http://dssw.army.pentagon.mil/dssw/index.html>.

(10) Procurement ethics training at website <http://www.usoge.gov>

(11) OIG, DoD, Ethics Program Office

(12) GSA Advantage. On-Line Shopping Service website [http://www.gsaadvantage.gov/advgsa/main\\_pages/start\\_page.jsp](http://www.gsaadvantage.gov/advgsa/main_pages/start_page.jsp).

(13) DoD EMALL website <http://www.emall.dla.mil/>.

- (14) Training classes established and/or approved by the APC.

## APPENDIX D INSTRUCTIONS FOR OIG, DOD, CONVENIENCE CHECKS

1. **General.** In accordance with Volume 5, Chapter 2, of reference b, the prescribed method for all payments within the Department is Electronic Funds Transfer (EFT). Unless a waiver to the EFT requirement has been approved by the Office of the Secretary of Defense (Comptroller), the preferred method for purchases shall be the use of the government purchase card. If certain restrictions make the use of the purchase card impractical, convenience checks may be used.
2. **Appointment.** Refer to procedures in Appendix C, paragraph 2. Convenience Check Custodians, Alternates, and Cashiers are issued a Delegation of Authority memorandum (see Figure 6, page 36) by the Program Director that makes them officially responsible for carrying out their duties.
3. **Responsibilities.** Responsibilities are discussed throughout this Instruction. Section F, Appendix A, and Appendix D of this Instruction include, but are not limited to, identifying the responsibilities for individuals involved with convenience check accounts.
4. **Minimum Requirements for a Convenience Check Account**
  - a. The OIG component and individual must hold an active (in good standing) purchase card before approval of a convenience check account is granted.
  - b. The use of the convenience checks must be considered advantageous to the OIG, DoD, after evaluating all alternatives to accomplish the same purpose.
  - c. Before any convenience check is issued, every effort must be made to use the Government purchase card to make necessary purchases.
  - d. Maximum efforts shall be made to find and use vendors that accept the purchase card as the primary payment vehicle (e.g., electronic or telephone catalog ordering services coupled with overnight delivery).
  - e. The authority to maintain a checkbook shall be justified on an individual OIG component basis and shall be controlled and monitored.
  - f. The number of checkbooks shall be limited to as few as feasible not to exceed one at OIG, DoD, Headquarters and one to each of the AIG-INV field office locations.
  - g. Appropriate internal controls, to include one level of approval above the check writer (i.e., an approving/certifying official) shall be maintained.
  - h. Each convenience check account shall be audited yearly on an unannounced basis by the AIG-AUD, who shall be independent of the office maintaining the account. The account is subject to unannounced spot checks and reviews by the APC and the approving/certifying official.
5. **Establishing a Convenience Check Account**
  - a. Refer to procedures in Appendix C, paragraph 2. The Director, OA&IM, shall issue Delegations of Authority (prepared in writing by the APC) to the approving/certifying official, check custodian, and check cashier.
  - b. The APC shall complete and submit the appropriate bank form through the Director, OA&IM, to the bank to set up the account. The application shall include a copy of the document

(Delegation of Authority) approving the check account holder. A separate check account holder and approving/certifying official must be identified for each check account.

## **6. Convenience Check Accounts**

- a. Are provided through the GSA contract for the Government purchase card by the issuing banks.
- b. Check amounts shall not exceed \$2,500 per check and shall be issued for the exact payment amount. No split ordering is permitted.
- c. Offer a mechanism to replace cash for official expenses when card products and other alternatives have been determined unusable.
- d. Will contain standard preprinted information: the United States Government seal and the statements "For Official Use Only," and "U.S. Government Tax Exempt." Will include the maximum dollar limitation per check (\$2,500) and space for the date and the amount of the check. Will carry other information specific to the OIG, DoD, such as the OIG, DoD name, address, and the account holder's name.
- e. Will be sequentially pre-numbered, multiple-copy documents (with a minimum of at least one copy for the account holder's records).
- f. Shall be reconciled in accordance with standard payment practices established for the purchase card by reference n.
- g. The purchase card issuing bank will provide a supply of checks to the designated convenience check account holder.
- h. The bank will process and pay the checks as they are presented through the bank check clearing system for payment within the authorized dollar limitations established by the OIG, DoD, for each individual account holder.
- i. The bank will provide a list of the checks cleared on each account holder's billing statement and provide for storage of cleared checks for audit and retrieval purposes.
- j. The bank offers additional features such as "stop payment" and retrieval capabilities. Other features include an audit trail that assists in tracing transactions and "help desk" assistance.
- k. Convenience check accounts shall be "bulk funded" in accordance with "Advance Reservation of Funds" policies addressed in reference o.
- l. Convenience checks shall not be issued as an "exchange-for-cash" vehicle to establish cash funds.
- m. Convenience checks may be mailed, as long as internal controls are in place to avoid duplicate payments to payees.
- n. Administrative costs associated with the purchase of convenience checks are the responsibility of the issuing activity.

## **7. Prohibited Uses of the Convenience Check Account**

a. Refer to Appendix C, paragraph 5. The convenience check account follows the same rules for prohibited purchases as the purchase card.

b. Situations where the use of the purchase card or convenience check could not be used for an approved official purchase for supplies or services (resulting in an out-of-pocket purchase) would be most unusual and shall not occur on a routine basis. Every effort should be made to obtain telephone or E-mail approval before the purchase if it is determined that the purchase is absolutely necessary to the mission and cannot be obtained through normal procedures. Requests for reimbursement for purchases of this nature shall be submitted to the approving/certifying official for consideration and shall include the following information:

- (1) A completed IG Form 4100.33-3.
- (2) A written justification statement regarding the circumstances causing the out-of-pocket purchase and an explanation why prior approval, as required in this Instruction, was not obtained for the purchase.
- (3) Documentation that identifies the item(s) purchased, where the purchase was made (merchant), and the cost of the item(s).
- (4) A copy of the receipt for the purchase identifying the type of payment used (cash, personal check, money order, etc.).

## **8. Conditions for Designation of Approving/Certifying Official for Convenience Check Accounts**

a. May be any individual (i.e., officer, enlisted member, or civilian employee) who is appointed by the Director, OA&IM, in writing to authorize and certify the issuance of convenience checks by cashiers.

b. May not perform functions of convenience check custodian or cashier (in order to maintain effective internal controls).

c. Shall be held accountable and pecuniary liable for the accuracy of the payments.

d. In the case of purchase card convenience checks, the purchase card approving official is the same as the activity approving/certifying official (Volume 5, Chapter 2, Paragraph 021002.B.1.d of reference b pertains).

e. The approving/certifying official shall be designated as the official authorized to receive and certify payments on the billing statement (invoice) to the paying activity.

f. Check accounts for approving/certifying officials may be established separate from approving/certifying official accounts for purchase cards.

## **9. Conditions for Designation of Convenience Check Custodian**

a. May be any individual (i.e., officer, enlisted member, or civilian employee) who is appointed by the Director, OA&IM, in writing, to order, receive, store, issue, inventory, reconcile, and dispose of check stock. (The Director, OA&IM, at his or her discretion, may determine the minimum grade level for the check custodian.)

b. Each convenience check account shall be under the custody of one individual who is not responsible for originating, approving, and processing the requirement for a check. An alternate custodian may be appointed with the same authorities as the custodian; however, the alternate shall act only in the absence of the principal.

c. Both principal and alternate custodians, as applicable, may be held pecuniary liable for account transactions under their control.

d. The convenience check custodian may perform the functions of the convenience check cashier, if appointed.

#### **10. Conditions for Designation of Convenience Check Cashier**

a. May be any individual (i.e., officer, enlisted member, or civilian employee) who is appointed in writing by the Director, OA&IM, to inscribe (print), sign, and issue checks.

b. May perform the functions of the convenience check custodian.

c. May be a purchase cardholder so long as the policies and procedures established herein are observed.

#### **11. Operating Procedures for Convenience Checks**

a. The convenience check cashier shall issue checks in sequence based on approved requirements. When a check is issued, the pertinent data shall be entered in the checking account log. The amount of the check as well as any fees involved will be entered and the funding tracked on the log. The approving/certifying official should be notified immediately if there are insufficient funds to cover the check.

b. The requester shall use IG Form 4100.33-3 (Figure 5, page 35) to document that goods and services were received for small purchases and training. The approved and certified form shall be returned to the cashier to serve as the receiving report and to be filed with the checking account records. A copy of the form shall be provided to the Acquisition and Property Management Branch, ALSD, OA&IM, when the payment is for accountable property.

c. At headquarters, the APC, or designee, shall validate whether a vendor accepts the purchase card for the requested purpose before certifying check approval and forwarding to FMD, OA&IM, for check issuance. Field offices shall validate through their approval official.

d. Training related payment requests must have an approved training request (DD Form 1556) attached (in place of the IG Form 4100.33-3) and a statement from the Human Resource Services Center (HRSC) training purchase cardholder that the purchase card is not accepted.

e. Financial institution/bank reimbursements for subpoenas.

(1) Bank reimbursement for copying and researching charges related to OIG, DoD, subpoenas does not require IG Form 4100.33-3 to be processed and is not processed through the LSD, OA&IM, because the purchase card is not a viable option. Financial institutions/banks do not accept the purchase card as payment for these services. Appropriate documentation in place of the IG Form 4100.33-3 shall be retained for audit purposes.

(2) A memorandum request for payment processing must be submitted by the AIG-INV (identifying the approved reimbursement payment) and must be coordinated with the ODGC, IG. No payment shall be issued without an ODGC, IG, endorsement. A copy of the bank invoice shall be

attached. The memorandum request from AIG-INV represents the certification that goods and services were received. The cashier shall retain the memorandum in the checking account files. The OAIG-INV shall pick up the check and send it with a transmittal letter to the requesting financial institution. The cashier shall retain a copy of the transmittal letter showing the check number and date in the checking account files.

(3) The CIPO is responsible for reimbursement requests for subpoenas served by the military criminal investigative agencies. The CIPO is responsible for picking up the check.

## **12. Reconciliation of Convenience Check Accounts**

a. The cashier shall reconcile the monthly cardholder statement of account to the checking account log within 5 working days of receipt. The cashier shall sign and date the statement upon completion of the reconciliation. The checking account log transaction entries should be posted with the statement date when the reconciliation is completed. The statement, a printed copy of the checking account log, IG Form 4100.33-3, and any other supporting documentation shall be submitted to the approving/certifying official for review.

b. Procedures for certification of the approving/certifying official's monthly billing statement (invoice) with regard to convenience check purchases are the same as the procedures for purchase cards discussed in Appendix C, paragraph 7.g.

c. The document files for convenience checks shall be retained for 6 years, 3 months. Procedures in Appendix C, paragraph 7.h, pertain.

**13. Errors and Disputes.** The issuing bank considers transactions processed with a check to be the same as cash. Therefore, it is the cardholder's responsibility for resolving any discrepancies, such as wrong items, partial shipments, exchanges, refunds due, returns, etc. Resolution on these discrepancies is between the cardholder and the vendor.

**14. Lost or Stolen Convenience Checks.** The convenience check custodian/cashier shall safeguard all unused checks in a secure place (such as a safe or locked cabinet). No other person shall have access to the checks. Lost or stolen checks should be reported to the approving/certifying official and the issuing bank. Refer to Appendix C, paragraph 9.

**15. Separation of Convenience Check Custodian/Cashier.** Upon separation (includes reassignment, retirement, etc.), the convenience check custodian/cashier must surrender all checks and check account documentation to the approving/certifying official who will notify the issuing bank.

**16. Transfer of Convenience Check Custodian/Cashier to Another Approving/Certifying Official.** The procedures in Appendix C, paragraph 11, for the purchase cardholder also apply to the convenience check custodian and cashier.

**17. Convenience Check Violations, Suspension, or Cancellation.** Refer to Appendix C, paragraph 12b.

**18. Notification and Appeal of Convenience Check Suspension, Cancellation, or Reimbursement.** Notification and appeal procedures for the purchase card discussed in Appendix C, paragraph 13, also apply to convenience checks.

**19. Account Reviews and Audits of Convenience Checks.** The procedures discussed in Appendix C, paragraph 14, also pertain to convenience checks.

**20. Training for Convenience Checks.** Training discussed in Appendix C, paragraph 15, also pertains to convenience checks.

MEMORANDUM FOR (*Individual's Name and Organizational Code*)

SUBJECT: Appointment as Approving/Certifying Official

In accordance with IGDINST 4100.33, *Commercial Purchase Card Program*, you are hereby appointed as the OIG, DoD, Approving/Certifying Official responsible for certifying payment vouchers and documents for the following types of payments: Government purchase card contractor billing statements (invoices) and vouchers covering purchases and services obtained with the Government purchase card or convenience checks. Your authorized monthly office purchase limit is (*Insert \$ amount*). This limit may not be exceeded.

Approving/certifying officials have pecuniary liability for any illegal, improper, or incorrect payment processed by the Department as a result of any inaccurate or misleading certification. This means that you may have to repay the total amount of any payment that is found to be illegal, improper, or incorrect. You must become thoroughly familiar with your responsibilities and accountability. By your signature below, you acknowledge this appointment and affirm that you have read and understand your responsibilities as described in the following references.

Title 31, US Code, Sec 3325	<a href="http://www4.law.cornell.edu/uscode/31/3325/html">http://www4.law.cornell.edu/uscode/31/3325/html</a>
Title 31, US Code, Sec 3528	<a href="http://www4.law.cornell.edu/uscode/31/3528/html">http://www4.law.cornell.edu/uscode/31/3528/html</a>
DoD Directive 7000.15	<a href="http://web7.whs.osd.mil/pdf/d700015p.pdf">http://web7.whs.osd.mil/pdf/d700015p.pdf</a>
DoD FMR, Vol. 5, Ch 3	<a href="http://www.dtic.mil/comptroller/fmr/05/0533.pdf">http://www.dtic.mil/comptroller/fmr/05/0533.pdf</a>

In addition, if you are certifying documents other than travel vouchers paid through the Defense Travel System (DTS) or DTS-Limited, you must complete a DD Form 577, *Signature Card*. After completion of the acknowledgment below and the Signature Card, keep a copy and forward the originals to the Director, OA&IM.

Director  
Office of Administration  
and Information Management

#### ACKNOWLEDGMENT:

By signature hereon, I acknowledge my appointment as an Approving/Certifying Official. I have read and understand my responsibilities and accountability. I understand my right to request relief of liability for any payment I certify that is determined to be illegal, improper, or incorrect. I further understand that this appointment will remain in effect until Revoked in writing by the appointing official above or successor.

---

*Approving/Certifying Official's Typed Name, Signature, and Date*

Figure 1. Sample Appointment Letter for Approving/Certifying Officials

1. NAME (Type or print)	2. PAY GRADE	3. DATE
4. OFFICIAL ADDRESS		
5. SIGNATURE		
6. TYPE OF DOCUMENT OR PURPOSE FOR WHICH AUTHORIZED		
THE ABOVE IS THE SIGNATURE OF THE AUTHORIZED INDIVIDUAL		
7. NAME OF COMMANDING OFFICER (Type or print)		8. PAY GRADE
9. SIGNATURE OF COMMANDING OFFICER		

DD Form 577, MAY 88 (EG)

Previous edition may  
be used until exhausted.

SIGNATURE CARD

Digned using Perform Pro, WHS/DIOR, Oct 97

Figure 2. DD Form 577, Signature Card

COMMERCIAL PURCHASE CARD REQUEST FOR PURCHASE OF SUPPLIES AND SERVICES				CONTROL NUMBER:		DATE: 12/04/2001	
TO:		THRU:			FROM:		
PART I - LIST SUPPLIES/SERVICES BELOW (Continue on Plain Sheet if Necessary)							
FOR:		DELIVERY TO:				NO LATER THAN:	
Mfg Part or Stock Number	Description of Material or Services			Quantity	Unit of Issue	Estimated Unit Price	Estimated Total Cost
							Total
Suggested Sources (Include Phone Number, Address & POC):							
PART II - JUSTIFICATION, CERTIFICATION, AND PROPERTY RECEIPT							
Justification or Purpose:							
I CERTIFY THAT FUNDS ARE AVAILABLE: _____ (Card Holder)							
PROPERTY OR SERVICES RECEIVED BY: _____ Date: _____							
PART III - REQUESTER							
DATE:	Type Name, Title & Phone No. of Requester:				Signature		
DATE:	Supervisor or Approving Official:				Signature		
Part IV - SPECIAL AUTHORIZATIONS							
DATE:	ADP/Telecommunications Official (for related ADP purchases):				Signature		
DATE:					Signature		
DATE:	Accountable Equipment (IGDM 4140.1):				Signature		
IG FORM 4100.33-3, OCTOBER 2001 (EG)							

Figure 3. IG Form 4100.33-3, Commercial Purchase Card Request for Purchase of Supplies and Services

MEMORANDUM FOR *(Insert Individual's Name)*

SUBJECT: Appointment as Purchase Cardholder – Delegation of Authority

In accordance with IGDINST 4100.33, *Commercial Purchase Card Program*, you are hereby appointed as an OIG, DoD, Purchase Cardholder to make purchases of supplies and services related to the mission of the office you service. You are officially responsible for carrying out your duties in accordance with the Federal Acquisition Regulation, DoD policies and regulations, and IGDINST 4100.33.

It is mandatory that you become thoroughly familiar with your responsibilities and accountability. By your signature below, you acknowledge this appointment and affirm that you have received the required training and understand your responsibilities and accountability for the position you hold.

A copy of this appointment with your signed acknowledgement must be forwarded to the Agency Program Coordinator before a purchase card is issued to you.

Your authorized single purchase limit is \$2,500 and your authorized monthly purchase limit is *(Insert \$ amount)*. These limits may not be exceeded.

Director  
Office of Administration  
and Information Management

cc:  
Approving/Certifying Official  
OIG Component Head  
Agency Program Coordinator

#### ACKNOWLEDGEMENT:

By my signature below, I acknowledge this appointment and affirm that I understand my responsibilities and accountability for this position. Further, I have received the required purchase card training (record attached).

---

*Purchase Cardholder Typed Name, Signature, and Date*

Figure 4. Sample Appointment Letter for Purchase Cardholder

[illegible]

Figure 5. IG Form 4100.33-1, Commercial Purchase Card Log

MEMORANDUM FOR *(Insert Individual's Name)*

SUBJECT: Appointment as *(Insert one of the following: Principal/Alternate Convenience Check Custodian or Convenience Check Cashier)* - Delegation of Authority

In accordance with IGDINST 4100.33, *Commercial Purchase Card Program*, you are hereby appointed as the OIG, DoD, *(Insert one of the following: Principal/Alternate Convenience Check Custodian or Convenience Check Cashier)* in the *(Insert applicable component)*. You are officially responsible for carrying out your duties in accordance with public laws, Government-wide and DoD policies and regulations, and IGDINST 4100.33.

It is mandatory that you become thoroughly familiar with your responsibilities and accountability. By your signature below, you acknowledge this appointment and affirm that you have received the required training and understand your responsibilities and accountability for the position you hold.

A copy of this appointment with your signed acknowledgement must be forwarded to the Agency Program Coordinator before you commence your designated duties.

Director  
Office of Administration  
and Information Management

cc:  
Approving/Certifying Official  
OIG Component Head  
Agency Program Coordinator

ACKNOWLEDGEMENT:

By my signature below, I acknowledge this appointment and affirm that I understand my responsibilities and accountability for this position. Further, I have received the required purchase card training (record attached).

---

*Principal/Alternate Convenience Check Custodian or Convenience Check Cashier's  
Typed Name, Signature, and Date*

Figure 6. Sample Appointment Letter for  
Principal/Alternate Convenience Check Custodian or Convenience Check Cashier

**COMMERCIAL PURCHASE CARD CERTIFICATE OF DESTRUCTION**

This is to certify that Commercial Purchase Card Number \_\_\_\_\_, assigned to cardholder \_\_\_\_\_, has been destroyed (cut into 4 pieces).

Approving Official's Signature: \_\_\_\_\_

\_\_\_\_\_  
(Type/Print Name)

\_\_\_\_\_  
(Office)

\_\_\_\_\_  
(Address)

Witness Signature: \_\_\_\_\_

\_\_\_\_\_  
(Type/Print Name)

IG FORM 4100.33-2 July 2001

Figure 7. IG Form 4100.33-2, Commercial Purchase Card  
Certificate of Destruction